

January 15, 1976

SENATOR BURBACH: Yes.

SENATOR KREMER: We are treating this as a savings. Say my local co-op would retain 50% or 60%, let us say, they pay a tax on that savings then, under your amendment.

SENATOR BURBACH: This is correct and I think that is where it belongs, yes.

SENATOR KREMER: Then when I eventually, when I do and I will, at a certain age or at such time that they are required by law to pay, then do I pay again?

SENATOR BUREACH: No, sir. Not under 382 nor under this amendment that I am offering.

SENATOR KREMER: Okay.

SENATOR BUREACH: Because the corporation has paid the tax on this. This is your money. You are entitled to it and you will not pay a tax under 382 nor will you under this amended version. Let me back up just a second and let me elaborate just a little bit, Senator Kremer. There is a tax war with the co-ops. Many of you have met him and I visited with him before this session started, during the session, and he indicated to me, and I visited with him last Monday morning. He was in Washington, D. C. He helped draft this legislation. He was a part of it when we had him and the Executive Secretary of the Co-ops in my office along with three tax people. I explained to them what I wanted. The decision was made and when he was in Washington last Monday I asked him, my amendment provides for the individual to pay and the corporation to pay, is this correct? Yes. To carry things still further, this will provide for the corporation to pay, and then I asked him another question, under 382, I would need to pay on all that I receive, whether it is in script or credit or cash, on all of it. This is right he said.

PRESIDENT: Senator Kremer, you have two minutes.

SENATOR BURBACH: Then I asked him that very question about the retaining, the pay back of these funds, and he said, you are right and this is right. The money, the \$500, or whatever is there is retained..is paid out to the individual without any additional tax.

SENATOR KREMER: Mr. Chairman, I am going to ask for one minute extra time because he took my time in answering my questions to explain what he is trying to accomplish in his amendment.

PRESIDENT: That is one of the dangers in asking certain Senators questions.

SENATOR KREMER: Do I have time to ask him one more question, just a short one and he can answer very shortly.

PRESIDENT: I know that the entire membership is very